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FEB 1968

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Rationale of CIA Retirement Policy

1. I have reviewed Mr. Houston's rewrite of my rationale of CIA retirement policy. The changes he has made are these:

a. He has consolidated my first two paragraphs into a single sentence.

Comment: Since the rationale will be reviewed by persons who are not familiar with the intelligence process and the level at which our product enters into the national policy-making arena, I believe my more detailed and glamorized description is preferable.

b. Larry has deleted any reference to the statutory recognition accorded the Agency by Congress.

Comment: These are our bona fides as being an Agency that must have unusual authority to build and maintain a unique and superior service. If the Agency is unwilling to identify these authorities and its intent to use them for the purposes authorized, we have no right to proclaim and practice abnormal retirement policies which clearly are contrary to normal laws and procedures. I presume Larry is fearful of hoisting the flag, but without doing so we have no case.

c. Larry has made reference to the CIA Retirement System and its provisions for early retirement.

Comment: I think this reference is good. It provides further proof that Congress recognizes that CIA has unique manpower management problems. It also provides argumentation for the provision by CIA of some compensatory benefits to those who retire at age 60 under Civil Service Retirement. Such benefits would, of course, not be in the form of or as good as the better annuity formula to overseas intelligence personnel. However, if CIA does not provide some form

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of compensatory payments, the reference provides a clear-cut argument that CIA should not require employees to retire at age 60. Since employees under the CIARS and Civil Service are both "required" to retire at age 60, I consider the absence of compensatory payments as establishing an odious comparison. Either all employees retiring under policy at age 60 should be entitled to the better annuity formula of the CIARS, or some other, probably lesser, compensatory benefit.

d. Larry has deleted any rationalization based on the regressive effect of the aging process.

Comment: I assume he did this because it is offensive to individuals and cannot be statistically or scientifically proven as to the precise age at which the effect of age becomes significant. Nonetheless, I believe everyone is aware of and recognizes the regressive effects of aging, not only with respect to physical abilities, but mental abilities as well. It is a phenomenon which can and should be identified.

2. I recommend we use my original rationale paper to bring into discussion the points that Larry and others may disagree with or have qualms about.



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cc: Mr. Houston

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